

G. Grower will report to Owner or Owner's designated manager all death losses on the day the loss occurs by phone notice in the manner specified by Owner to Heartland Pork Enterprises, Inc., 15491 State Hwy 941, Alden, IA 50006-9103; phone (515)-859-7801. Additionally, grower will complete weekly reports detailing all movement of hogs, feed deliveries and other information applicable to the group of hogs.

**1.5 GROW-OUT CHARGE.** Owner will pay Grower a Grow-out charge calculated as follows on each group of hogs put in facilities:

A. \$40,800.00 per year per building on each 41' x 231' building payable monthly at the rate of \$3,400.00 per month. This amount shall be payable the first day of each month.

B. Upon completion of construction of each building, owner shall place pigs in the building within 30 days. The first monthly payment to Grower will be a prorated amount based on the number of days of the month the building was actually occupied with hogs. If 30 days after the completion of construction Owner has not placed hogs in the building, Owner will begin making payments as outlined above.

## **SECTION 2 MISCELLANEOUS.**

**2.1 TERM.** The term of this Agreement shall commence on the date hereof and end on \_\_\_\_\_, \_\_\_\_\_. Unless otherwise provided in this Agreement, it shall be terminated upon 30 days written notice by either party for a failure of the other party to comply with a material term hereof; provided, however, that once pigs are delivered by Owner to Grower, then the contract cannot be terminated by Owner or Grower with respect to that given lot of pigs until said pigs are marketed by Owner.

The parties to this agreement agree that during the period between \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, \_\_\_\_\_, they will attempt to negotiate a renewal of this Agreement on terms and conditions acceptable to both parties with the intent of entering into a new written agreement before the end of the term of the Agreement. Both parties will act in good faith based upon the facts and circumstances at the time of negotiation. If the parties do not enter into a new written agreement prior to the end of the term of this Agreement, then this Agreement will expire on the date described above.

**2.1(a)RIGHT OF FIRST REFUSAL.** If the parties do not negotiate a renewal of this agreement as outlined in paragraph 2.1 above, Grower agrees to grant Owner a right of first refusal. Before Grower enters into any other contractual arrangement for the use of Grower's buildings, he shall give Owner written notice of the terms and conditions of such agreement. Owner shall have 30 days from the date of this notice to exercise this right of first refusal by forwarding to Grower a written contract on the same terms and conditions as the proposal contract. After expiration of the 30 day period, without Owner forwarding a contract to Grower, Grower may enter into a contractual arrangement with any other party on the same terms and conditions offered to Owner. All notices provided herein shall be mailed to the other party's last known address by certified mail, return receipt requested.